G. R. S. IX-5]

*Previous references.*

F 134-18 (205, 3157-530) 1929:20

( P.P )

File No. 6-19

Serial Nos. 9 262, 345

*Later references.*

# GENERAL AND REVENUE SECRETARIAT.

*Serial Nos.*

Part B for Mar 1920.

SUBJECT.

Advance account of Municipal Grain Depôt

---

de 345) 20. The Comptr & Gal
" Asst Controller in Mysore
" Director, City Municipal Comm
Mysore —

WG 25765-7 dt 11.5.20.

Records with Certain Observations re
report on the audit of accounts of the
Municipal Grain Depôt Mysore —

WP 2233—G PB—20,000—11-6-20

. R. S. 11] 1919-20.

GENERAL AND REVENUE SECRETARIAT.

( R6 )

NOTES.

File No. 6-1

FILE HEADING.

Advance Account of ~~Food Supply~~ Municipal Grain

From

The Offg Comptroller.

No. E-59-61 Dated 30.10.19. Received 6.11.19.

| Diary No. 1521. | Enclos. | Spare Copies. | Serial No. 9. |
|---|---|---|---|

BRIEF ABSTRACT OF LETTER.

Forwards the statement of the Advance Accounts together with a brief report on the audit of accounts of the Municipal Grain Depot Mysore for the period from 1st March to 30.6.19.

NOTES AND ORDERS.

The important irregularities noticed by the comptroller are:-

1) That sufficient attention is not paid to the verification to the Stock balance on the 1st of each month as required in G.O. no. R 24379-91: 8, 23. 4/19. P.D. 134-18-530

2) Stock account not properly maintained and

NOTES—First Sheet.

G. R. S. III-2]

General and Revenue Secretariat.

P.P 6

File No. ~~215~~ of 191 6

Serial No.

The sums for which cash has been received have not ~~been~~ in some cases been shown either in the Depot Officers daybook or the Stock account.

3) no account is opened for Gunny bags.

4) Several items shown as outstanding against branch Depots have been written off without proper orders.

Unauthorised advances of Large amounts in the out of the proceeds

Unauthorised Sale of 55 Pallas 150 Seers of Boiled rice at 8 Seers

Differences between the municipal Depot Cash Book balances & the Mysore Bank Pass Book.

Non recovery of long Standing dues.

Subs 2 May be forwarded both Ch: Sec, Bo H/H. for remarks, on receipt of Memoirs of the Food Controller W.M. and Dr: Eis: H. Meyer - on the annual paid: Accts of the Audit Office -

Henry J.

29.4.

Bang 29/4/27 Bang H.

Please see H Members
note that the file
was between us the
Chief sent a receipt
the reply from
the FO Canberra etc.

~~The FO Com~~

Mr Bashan may
be asked to keep in view
pending receipt of reply

11/12

1521

G. R S. III-2]

| General and Revenue Secretariat. | 16 File No. 6 of 1919. |
|---|---|
| Serial No. | |

5th May to Food Controller
to President Mysore City,
asked to furnish facts, etc
on the points raised by
Amrit Office. Kharpia
Sikka
for 4 Pr

I. R. S. III-2]

General and Revenue Secretariat.

File No. 6 of 191 9

Serial No.

The replies from the F.C. and Resident should obtained ~~from~~ by the admin: officer: After this they are to be marked to the remarks of the Fin: offr. and Chief

18
4-12-19

7 Draft to ~~Comp~~ Food Controller & President Mysore alg Municipality sent up

Yes
1/12/19 8 Typed
8-12-19

Sd H

To the F.C. Controller & President Mysore alg M.C. Council No G 13795-6 & 13.12.19 Calls for their remarks on the several points noted in the audit report.

9 Draft reminder sent up

Yes
22/1/20 10 Done
22/1/20

G 6849-2 & 22/1

Sd H

NOTE—Contn. sheet.

CHIEF SECRETARIAT II POLITICAL BRANCH 1 JAN. 1920.

R. S. III-2]

General and Revenue Secretariat.

P.P File No. 6 of 1919

Serial No. 262

From the President, C.G.M.L. C.C. - No 109 of 17/21.2.20.

Furnishes his remarks on the several points noted in the Audit report -

II. The file may be forwarded to the Comptroller for remarks

No. 158 25.2.20

25/2/20 12 Forwarded with Compliments to the Comptroller for favour of remarks.

By order
Mr. Manager
For Chief Acct

24.25

E.O. 207-R 26/2/20

No.F.138 dated 9th March 1920.

1. Mere counting of bags is not sufficient for purposes of stock verification. Even in the case of large consignments received by rail, the railway freight converted into pallas and seers on the average of a few bags, say 8 or 10, should be taken for purposes of the stock account subject of course, to adjustment at the end of each month as stock is given out for issue.

2. No explanation is furnished for the unauthorised advance of Rs ~~30,000~~ 3000/- to the President out of the sale proceeds referred to in para 5 of the report. Copy of President's letter No.403 dated 13th November 19 in reply to this office reference

NOTE—Contn. sheet.

the

the subject is attached. If any such necessity of the kind mentioned in the President's letter arose the amount required could have been conveniently drawn from the Mysore Bank or met out of the days' collections instead of keeping the amount outside the general balance, obtaining the formal sanction of Government for the same.

3. Formal sanction of Government should have been obtained for selling the damaged rice at 8 seer per rupee (Vide para 6).

4. How far the other defects noticed have been rectified will be seen to during next audit which will be taken up shortly.—

J. Satyanarayana Rao
Comptroller.

MSR/9-3.

14 The 7000 Candies has not yet sent a reply to this office No. G. 13795-69 13.12.19. The file may be sent to him for remarks.
Mg. 15 For personal orders.
6/3/20
Chief Sec) If may be consulted to.
MK 7/3/20
6/3/20

NOTE—Contn. sheet

WD A 1789—GPB—60,000—20-3-18—S.

Copy of letter No.403 dated 13th November 1919, from the President, City Municipal Council, Mysore, to the Comptroller to the Government of Mysore, Bangalore.

==========

With reference to your letter No.F.62 dated 28th October 1919 regarding the advance accounts maintained in connection with the Food Supply arrangements of the Mysore City, I have the honor to state as follows:-

2. Having received information that some speculators and undesirable persons were advancing to the ryots on standing crops, particularly Kar ragi and jolum, with a view to buy them at disadvantageous rates to the ryots and to combine and hold up the market price I thought, as a prudential measure, that some of the respectable ryots night also be bespoken for us, through the Deputy Commissioner and Amildars, and so reserved a small amount on hand. But as conditions and circumstances imrpoved, there was no necessity to have recourses to such a course and so, the amount has since been fully adjusted.

3. The advance referred to in your letter was only technical, in-asmuch as the amount instead of being sent to the Bank, was reserve in the chest under my charge for prompt action, should there have been any occasion. For obvious reasons, the object for the time being was treated confidential, and was knwon only to the Chief Officer and a fe superior officials. Had the Auditor only seen me or asked me, for the information, he would readily have had it.

G. R. S. III-2]

General and Revenue Secretariat. | P.P File No. 6 of 1919

Serial No.

No. 064 29.3.20

17 Forwarded with Compliments & the Food Controller for favour of remarks.

By order
M Ramaiyar
for Chief Secy

No 4507
Food Cntrlr

Rec'd 29/3/20

GOVT. OF INDIA
9 APR 1920

Returned with compliments. There is no information forthcoming either in the audit report nor accompaniments as to the total stock of food grains received by the President, whether this tallies with the accounts of the ~~as~~ officers by whom the supplies were made, whether the whereabouts of the stocks is accounted for, at what rate the grains were sold, whether the rates were authorised, and whether the realisations shown in the accounts ~~appear~~ are correct with reference to the quantities sold and the rates. Information on these points would have added to the usefulness of the report. ~~In~~ I add a few remarks as to the several points raised:-

1. Verification of Stock. Verification reports are being regularly received only from August 1919.

Stock of grains. The President's statement that it is impossible to measure or weigh large consignments immediately on their arrival is correct; in such cases there is no harm in the unweighed (or unmeasured) bags being

Serial No.

shown in the stock account as such for a couple of days as until the weighment (or measuring) is completed when the correct quantity could be entered. I doubt think this has been always done. Further it is found that in the stock account of the Mysore Municipal depot one para of rice has been taken to be 250 lbs in variably, while by actual measurement it is found that a para is between 2460 and 2470 lbs (according to the quality of the rice). This means that credit has been taken for a smaller number of paras than was actually received. I have requested the President to make necessary corrections in his accounts.

In Gungrap a stock account of gunnies should have been maintained.

Cash Amounts outstanding - There are nearly an amount of Rs. debits against petty officers (in their official capacity) who acted as sub-depot keepers, and sold rice to the employees at the same rate as in the municipal depots. The total amount is Rs. 992-5-2. The whole of this may be accepted write off the exception of Rs. 77-1-4 said to be the price of free supplies of rice in to the poor during the influenza epidemic. This amount has to be debited to the proper head and credit afforded to food supply account.

2. The sale of inferior broken rice at 8 seers a rupee may be sanctioned.

NOTE—Contn. sheet.

G. R. S.-III-2]

General and Revenue Secretariat.

GP 6 File No. 191 9

Serial No.

Subject: Advance of paddy. Paddy was sent to certain merchants (330 pallas to Mr Bamuniah, 102 pallas to Mr Thirumiah, 100 pallas to Mr Shanmanna & 32·25 pallas to Mr Ramanna Lekha) on the condition that they were to sell the paddy at approved rates and return the same in kind later on. Of course the President must have considerable latitude in regard to the arrangements for distribution of rice, and there was no objection to his making these merchants subdepot keepers if he thought fit to do so. But the arrangement that they were to return the paddy in kind cannot be said to have been a satisfactory one. It resulted in the rice (with value) remaining for an indefinite long period with these merchants; and with a rising market there was no chance of the rice being returned in kind. I understand however that the amounts have been recovered by recovering the value of the outstanding quantities.

Matthey

7 April 1920 for Controller

[R. S. III-2]

General and Revenue Secretariat.

P. P. File No. 6 of 1919.

Serial No.

A statement showing the irregularities pointed out in the audit report with the remarks of the several officers is put up herewith.

16/4/20

For perusal & orders. A draft order regarding the report, with the observations made in the F. C's note with if approved be put up for consideration.

(Chief Secy) P. Please

17/4

Draft submitted herewith

28/4/20

(Chief Secy) In approval

Dewan

29/4/20

Draft approved by Dewan

1/5

3/5

5/5

6/5

To Comptroller

Ld Controller & Dy C.S.

President, City municipal Council Mysore

No G 25765-7 dt 11/5/20

DEWAN'S OFFICE.
Recd. on MAY 3 1920
Reg. No. 7431

12

G. R. S. III-2]

General and Revenue Secretariat.

File No. 6 of 1919

Serial No.

Records with certain observations the report on the audit of accounts of the Municipal Grain Depot, Mysore refd to. Se 262.

CHIEF SECRETARIAT
II
POLITICAL BRANCH.
18 MAY, 1920

D1521

G.T 249

Please address all future communications to the Comptroller to the Govt. of H.H. the Maharaja of Mysore.
In reply to this Comn. please refer to
No. F.59-61.

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

*Dated, Bangalore, the* 30th October 1919. *191* .

5 NOV 1919

11642

FROM

T. Saytaraj Chetty Esq., B.A.,
~~M.N.KRISHNARAO, Esq., B.A.,~~

Offg: *Comptroller to the Government of His Highness the Maharaja of Mysore.*

To

M. N. Krishna Rao, Esq., B.A.,

Offg: *Secretary to the Government of Mysore,*
Financial *Department.*

SIR,

I have the honor to submit herewith the statement of the advance account together with a brief report on the audit of the accounts of the Municipal Grain Depot, Mysore, for the period from 1st March to 30th June 1919 and to observe as follows on the several important points noticed therein:-

1. Notwithstanding the clear instructions contained in Government Order No. G.24379-91 / P.P.134-18-530 dated 23rd April 1919 sufficient attention is not being paid to the verification of the stock balance on the 1st of each month as ordered by Government.

2. Stock account is not properly maintained and the issues for which cash has been received have not in some cases been shown either in the Depot Officer's day book or the stock account. No account has been opened for gunny bags.

3. Orders of Government have not been obtained for writing off the accounts several items shown as outstanding against branch depots prior to February 1919 due to shortages in excess of 3% allowed under Government Order of the 23rd April 1919.

4. Items aggregating Rs.992-5-3 have been written off without proper sanction.

5. There have been unauthorised advances of large amounts to the President out of the sale proceeds.

WD A 0610—GPB—5,000—10-8-17

C. O. 42-Rec.—17]

.....Department

191 .

FROM

M. N. KRISHNA RAO, ESQ., B.A.,
*Comptroller to the Govt. of*
*H. H. the Maharaja of Mysore.*

To

.....ESQ.,
*Secretary to the Govt. of Mysore,*
*Dept.*

Dated

Despatched

Received

No.....

Subject matter.

(6) 55 pallas and 50 seers of broken rice have been sold at eight seers per rupee instead of at seven seers as sanctioned by Government.

7. There are differences between the Municipal Depot Cash Book balance and the Mysore Bank Pass Book remaining unremedied for a long time.

8. No effective steps have been taken to recover the long standing dues to the Depot.

Copies of the advance statement and report with enclosures have been forwarded to the Food Controller and the President of the Mysore City Municipality for necessary action.

I have the honor to be,

Sir,

Your most obedient servant,

D. Satyanarayanaiah

Offg: Comptroller.

SAM.

Report on the audit of the accounts connected with Food Supply arrangements in the Mysore City for the period ending 30th June 1919.

Name of Senior Auditor. Mr.T.Somanatha Rao
Date of commencement. 10th July '19
,, termination. 28th August '19

This is the 3rd detailed audit and is for the period from 1st March 1919 to 30th June 1919. A statement showing the state of the Advance Account as on 28th February 1919 was already submitted to Government with Comptroller's No.F.C.30 dated 25th April 1919 as directed in Government Order No. 7C 4225 dated 25th February 1919.

Action taken on last Audit.

Most of the defects pointed out in para 3 of the 1st report have been rectifie

Notwithstanding the clear orders of Government contained in Government Order of 23rd April 1919, sufficient importance is not being paid to the verification of the stock on hand at the beginning of each month.

Current Audit.

The more important irregularities noticed during the current audit are summarised below.

(1) The Cash Book.

The office had not till now understood the correct use of the 'Bank' column in the Cash Book. Though it was explained to them in previous occasions, it was not properly understood. The same was explained

this time also and it is now being written up properly.

As the transactions of the President are with the Mysore Bank and as the 'Bank' column in the Cash Book was not being made use of, a separate plus and minus register for the balance with the Bank was being maintained. The discrepancies noticed between this register and the Pass Book of the Bank and still remaining unremedied are enumerated below.

1. Amount remitted to the Bank on 5th December 1918 was Rs.6,679-0-5; while that shown in the Bank Pass Book was 5 pies less. The dif erence remains unadjusted by the Bank up to date.

2. Food Supply Cheque No.A.21454/ dated 17th February 1919 for Rs.194-8-11 originally charged to Municipal Funds has been readjusted by the Bank by a credit entry in the Pass Book instead of a debit, thereby raising the balance by twice the amount viz. Rs.389-1-10.

3. A sum of Rs.2,435-3-0 remitted to the Bank on 4th March 1919 has been omitted in the Pass Book though included in the balance struck on 10th March 1919.

4. Rs.872-5-3 and Rs.846-13-0 remitted to the Bank on 26th February 1919 and 20th February 1919 respectively have been brought to the Pass Book on 10th arch 1919 only.

As mistakes of this kind left unremedied are likely to lead to serious differences between the Municipal Office Accounts and the Bank, arrangements will have to be made to remedy them then and there by reference

67

to the Bank as soon as the Pass Book is received back written up. The Head Office has also been addressed in this Office No.42 dated 12th September 1919 to rectify the same.

2. Stock Register.

This register has not been properly maintained. The irregularities noticed in this register are enumerated below. These irregularities coupled with the fact that the stock on hand is not being verified on the 1st of each month as required by the rules clearly show that the stock accounts are not being kept properly.

(1) A sum of Rs.25/- has been outstanding from 29th January 1919 under cash sales without corresponding issue of stock, either in the rough day book of the Depot Office or the stock accounts. It is highly improbable that a person who paid the amount so far back as 29th January 1919 for purchase of stock would have kept quiet without obtaining the stock for which he paid the amount. Evidently the issue has not been brought either to the Day book or the stock account.

(2) Another item of Rs.12-8-0 was received from one Tiruvenkataswamy Mudaliar for two bags of r gi on 27th January 1919. The issue of stock appears in the rough day book of the Depot Officer but omitted in the Stock Account.

(3) Rs.12/- was received from the Mysore Infantry Office for 84 seers of Broken Rice

on

on 20th June 1919. But the issue of stock was not traceable either in the Day book or the Stock Account. But on examination of the accounts maintained in the Infantry Office, itis seen that stock was actually issued on 21st June 1919 and nothing was due to it.

(4) Similarly in the case of the Sowar Lines. Two items of Rs.24-9-4 have been received on 20th June 1919 for 1.72 pallas of broken rice and credited to the Cash Book; but only one issue is traceable in the ledger on or about that date. Another issue is evidently omitted in the Depot Officer's issue book as otherwise the Military Department would not have kept quiet without getting either the quantity paid for or refund of the amount.

(5) 25 bags each of 75 seers of rice valued at Rs.313-4-6 (at Rs.16-10-8 per palla and contingencies 0-12-6) was paid for on 2nd May 1919. But the consignment was not brought to the stock account though the same is stated to have been supplied on 28th November 1918. It was stated that the same was supplied to the Palace Durbar Bakshi's Office and Palace Stables direct and that the rice had been omitted on both ~~orders~~ sides of the account. Neither the receipt nor the issue has passed through the stock accounts though the two offices have been debited for the quantities supplied and their cost recovered from them.

3. Day Book.

The money columns in this register are not posted in several cases and this is due to the fact that neither invoices nor bills for stock received have been received or where they have been received, the information contained therein is not complete. In the absence of information regarding cost, it is not understood how a correct balance sheet or a profit and loss account could be prepared.

4. Several items aggregating Rs.992-5-3 (Vide Statement attached) have been written off the accounts for various reasons and the authority therefor was not produced.

5. Advances.

Two advances of Rs.1,500/- each have been drawn by the President out of the sale proceeds on 26th May 1919 and 28th May 1919 respe tively. The purpose for which the advances were drawn and the authority therefor are not stated in the vouchers. Against this amount Rs.2,200/- was refunded in cash on 28th June 1919. leaving a balance Rs.800/- still unadjusted.

6. Ledgers.

Statements of sums due to and by the Municipal Depot are attached. The sum of ~~Rs.1,82,990-0-1~~ Rs.18,290-0-1 shown under ~~accounts~~ assets may be ~~regularly~~ roughly classified under 3 heads.

(a) Recoverable in kind.

1. Mr. Sowcar Banumiah 310 pallas bag rice.

---

This Sowcar was advanced 330 pallas of big rice (Mysore) in February 1919 or condition of repayment in kind Twenty pallas were returned in June 1919 and a balance of 310 pallas is still outstanding against him.

2. Sowcar Mandi Thamiah was advanced 102 pallas of II class or big rice out of which 30 pallas has since been returned leaving a balance of 72 pallas against him.

3. Mr. P. Shamanna was advanced 100 pallas on 2nd February 1919 and 15 pallas on 3rd March 1919, whole quantity is still outstanding against him.

4. Mr. Doddapetta. Ramanna Setty. 20 pallas and 25 seers II class or 14th February 1919 and 12 pallas of 1st class on 10th March 1919 and the whole quantity is outstanding against him.

As the cost of the stock supplied in the above cases is not given either in the day book or the ledger, Rs.16-10-8 for II class Rs.17-8-0 for 1st Class rice is taken provisionally for purposes of calculation.

The authority under which these articles were issued for return in kind were not produced for inspection. The total cost recoverable in these cases is Rs.8,827-14-9 (Vide items marked (d in Statement B.)

(b) Items shown as shortages and as such are said to be irrecoverable.

Ite,s aggregating Rs.6,708-11-3 (Vide statement attached) being the loss stated to have been incurred by the several depot on account of shortages upto end of February 1919, are still being shown under assets though they are not really realisable. As in most of those cases the shortage shown in in excess of 3%, sanction of Government has to be obtained for writ ng them off the accounts.

(c) Items marked (a) in statement B aggregating Rs.1-0-6 are chargeable to contingencies and instructions have been given to the Municipal Office to adjust them by credit to the advance ~~xxx xxxx~~ account.

(d) The balance viz., 2,752-5-7 alone is realisable in cash.

7. Items aggregating Rs.992-5-3 Vide statement D. have been written off the accounts for various reasons and the authority therefor was not produced - Out of this amount Rs.115-15-5 represents the total of items written off on account of double debits. As several issues of stock have been omitted in the day book and stock accounts, as pointed out in para 2 supra, it cannot be definitely stated if these are really second payments justifying refunds.

8. 55.50 Pallas of broken rice have been sold at Rs.8 seers per rupee contrary to Government Orders and the authority therefor was not produced.

9. In the absence of a correct stock account and the reconciliation of the stock on hand it is not possible to say how far the Balance Sheet and the Profit and Loss Account are correct.

Assistant Comptroller.

SAM

(1) This advance statement cannot be said to represent accurately the financial condition of the Depot but is at best only provisional for the following reasons:-

1. The stock on hand at the end of June 1919 has not been actually verified by measurement or weighment Vide entries in the Stock book in bags of unknown contents as required in Government Order No, G. 24379-91 P.P. 134-18-530 dated 23rd April 1919.

2. Loans of quantities of grain to local merchants Messrs. Banumiah, P. Shamanna and B. Thammiah on the understanding that the same should be returned in kind had not been valued in the ledgers. (Vide items marked (d) in statement B.)

3. The accounts of the Depot with the Deputy Commissioner, Mysore, and the Provincial Grain Depot, Mysore, are still unsettled by reason of the fact that bills for the large consignments of grain sent by them are still due.

4. Many items outstanding at the end of February 1919 and said to be irrecoverable, are still shown in the Ledgers without being written off under proper sanction, as suggested during the audit of accounts till 28th February 1919 (Vide statement C attached to the Advance Statement as on 2 th February 1919).

2. The Cash Book. The office had not till now understood the correct use of the Bank column in the Cash Book, though it had been explained on previous occasions. But a separate register was being maintained to note the Bank's monthly receipts and payments and balances were also struck in it. The discrepancies observed between the above and the Bank Pass Book were the following:-

(a) Amounts remitted to the Bank on 5th December 1918 was Rs.6,679-0-5, while that credited in the Pass Book was 5 pies less. This error continues to this day.

(b) Food Supply Cheque No.A.21450 dated 17th February 1919 for Rs.194-8-11 was charhed by the Bank to City Municipal Funds in the first instance. When this error was pointed out, the Bank made an adjustment entry crediting the Food Supply Accounts and debiting the Municipal Office. There thus resulted a double debit to Municipal Funds with a corresponding double credit to Food Supply Accounts. The Bank has been requested to correct the above mistakes and strike the correct balance in the Pass Book.

(3) A list of cases wherein sums aggregating Rs.992-5-3 have been written off for various reasons is also appended to the Advance Statement. Sanction of Government is necessary to admit the same.

(4) The defects observed in the Ledgers and Day Books have been detailed under statement A & B. as foot-notes.

(5) No authority was forthcoming for selling Rangoon broken rice (55.50 pallas) at 8 seers a rupee. This also is objectionable

(6) The cash account current for the period of audit is also enclosed.

(7) No account of gunny bags was maintained.

G. R. S. VI—G/32]

SUBJECT.....

*Diary No. of letter replied to*.....

**Section**

**File No.**

**Serial No.**

GENERAL AND REVENUE SECRETARIAT,
( )
*, the* *. 191* .

No. G/3795-6/one

*Date of issue* 13/12/1919

*Signed by* JmAbR

To (1) The Food Controller &
(2) The President, Mysore
City Municipality
Mysore

Sir,

I am directed to forward herewith a copy of letter no 759-61 of 30th Oct 1919 from the Comptroller to Govt submitting a statement of the advance

Account, with a brief report
on the audit of the accounts of
the Municipal Grain Depot
Nigma for the period from
1st March to 30th June 1919
and to request you to favour
Govt with your remarks
on the several points noted
thereon -

I have &c

8-12-19

Relief Fees -

*List of enclosure*

*Copied by*

*Examined by*

WD 86—GPB—60,000—15-11-16

27

G. R. S. VI—G/32].

SUBJECT.....

*Diary No. of letter replied to*..... .....

**Section**

**File No.**

**Serial No.**

GENERAL AND REVENUE SECRETARIAT

(

, *the* 191

No. S 16841-2

*Date of issue* 22/1

*Signed by* M' Rao

To

1) The Food Controller

2) President Mysore city Municipality.

Sir,

I am directed to refer to your ~~letter~~ reference in this letter to S. 13795-68 3.12.1919 re ~~Statement of the~~ ~~account with a brief~~ ~~On the~~ audit report of the accounts of the municipal grain depot Mysore from 1st March to 30th June 19

No. 109
Enc.

OFFICE OF THE PRESIDENT,
CITY MUNICIPAL COUNCIL, MYSORE.

Dated 17th February 1920.

21

23 FEB 1920

DIARY NO. 14612

FROM,

RAJASABHABHUSHANA DIWAN BAHADUR,
C. SRIKANTESVARA AIYAR, B. A., B. L.,
PRESIDENT, CITY MUNICIPAL COUNCIL,
MYSORE.

To,
C. S. Balasundaram Iyer, Esquire., B.A.,
Chief Secretary, to the Government of His Highness
the Maharaja of Mysore.

SIR,

With reference to your letter No. G.13795-6/P.P. dated 13th December 1919 forwarding for remarks a copy of letter No.F.59-61 dated 30th October 1919 from the Comptroller to Government, regarding the audit of the accounts of the MunicipalGrain Depot, Mysore, for the period from 1st March to 30th June 1919, I have the honour to note below my remarks on the several points noted therein.-

Para 1 of Comptroller's letter-

Verification of the stock balance on the 1st of each month.

Stock is verified at the beginning of each month by the Vice-President or the Chief Officer, and report of such verification are sent to the Food Controller, any excesses, or deficits due to shortages that may be found at the time of verification being adjusted in the stock accounts

Para 2. Stock and Guny bags accounts.

Stock Register is being maintained in the prescribed form from 1st January 1919. When thousands of bags of food grains are received in the course of a couple of days, it is not possible to measure or gh them all before they are taken to stock accounts . Hence they receipted in bags. But when consignments are accompanied by

B0

invoices or bills, the quantities of such consignments are entered in pallas in the stock accounts.

In a few cases in which issues for which cash had been received were by oversight left out in the day book or the stock register. These omissions have now been rectified.

The receipts of guny bags are entered in the day book and the amounts realized by their sales credited in the cash book. A consolidated account of guny bags will be available for audit next time.

Para 3. Amounts outstanding against branch Depots.

These items relate to the amounts outstanding in the ledgers against Branch Depots. Such amounts are shown under loss in the statement of accounts sent to the Food Controller every month. The exact amount of loss sustained on account of the working of these depots can only be ascertained at the end of our operations. As the accounts have been closed up to the end of December 1919, Government will be addressed in the matter of writing off such of the items of shortages as are above 3 per cent in accordance with Government Proceedings No. G. 24379-91-PP. 134-18-530 dated 23rd April 19191

A

Para 4. Items aggregating Rs.992-5-2 have been written off with--out sanction.

This sum represents certain items on the debit side of the ledgers which had to be corrected owing to the wrong entry in the accounts, of rates higher than those at which the supplies were issued, and of double debits. There was no writing off without sanction in these cases as observed by the Comptroller

31

29.25 pallas of broken rice on 19th March 1919, 26.10 pallas on 20th March 1919, and 15 seers on 21st March 1919,

Para 6- 55 pallas and 50 seers of broken rice have been sold at 8 seers per rupee instead of at 7 seers.

or in all 55.50 pallas of broken rice were sold at 8 seers the rupee as they were full of husks and the public would not buy them at 7 seers.

The Bank has since remedied these differences.

Para 7- Differences between the Municipal Depot Cash Book balance and Mysore Bank Pass Book balance.

Many of the items of outstanding dues have since been recovered.

Para 8- Recovery of arrears.

Effective steps are being taken for the recovery of the balance which is very little, which is about Rs. 150 and odd only.

I have the honour to be,

Sir,

Your most obedient servant,

President.

32

G.R.S. VI-11

SUBJECT.....

Diary No. of letter replied to.....

Section DD
File No. 619
Serial No. 345

General and Revenue Secretariat

*Proceedings of the Government of His Highness the Maharaja of Mysore.*

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, *the* *191*

Date of issue 11/5-/20

Signed by Mr B. T. K.

*Read*—

Letter no. T. 59-61 & 30. 10. 1919 from the Comptroller to Govt forwarding the statement of the advance accounts together with a brief report on the audit of accounts of the municipal grain Depot, Mysore for the period between 1. 3. 1919 and 30. 6. 19 and pointing out certain defects etc in the accounts.

2). Correspondence ending with letter no: 109 & 17/21 Feb. 7 1920 from the

~~Order Thereon—No.~~

May this be

i Printed ?

treated as a standing order ?

published in the Gazette, English Part ?

translated ?

v placed at the disposal of the press ?

vi published in the Gazette, Kannada Part ?

L

President Mysore city municipality Council and U.O note of the Food Controller dt 7.4.1920 on the same subject:

Order no: G 25765-7.
Recorded.

2. No information has been furnished either in the Audit Report or its accompaniments as to the total stock of food grains received by the President Mysore city municipality and whether this tallies with the accounts of the officers who made the supplies to him, and such other information as the rates at which the grains were fixed by the President, and whether these rates were authorised etc, as would have added to the usefulness of

List of enclosures.

Copied by

Examined by

G.R.S. 27]

GENERAL AND REVENUE SECRETARIAT.

(*Continuation sheet draft form.*)

3

It is reported that a stock account of gunny bags has not been kept. This ought to have been done.

4 The action of the President in selling inferior broken rice at 8 seers per rupee is ~~sanctioned~~ approved.

5 As regards the amounts which are reported to have been written off the accounts without the previous sanction of Govt, it is reported that these amounts are mostly on account of excess debits against Public officers (in their official capacity) who acted as Sub Depot Keepers and sold rice to their employees at the municipal rates. The sum of all such accounts amounting to Rs 992.5.2 may be written off the accounts with the exception of a sum of Rs

Rs 77. 1. 4, which was the ex-
penditure incurred in the free
supply of food grains during
the Influenza Epidemic Season in regard to which
~~Govt~~ the President Mysore City
Municipality is requested to take necessary action to
debit this expenditure ~~to~~ to
the proper head, ~~thereby~~ ~~afford~~ ~~to~~ ~~us~~
~~and~~ afford us due credit for
the Food Supply accounts.

WMS
5.5.20

CSK
1/5

MC
29.4 Chief Secretary

To

The Comptroller to Govt.
The Food Controller
The President Mysore City Municipality.

GPP—20,000—16-2-14

Important points noticed in the audit of the accounts of the Municipal Grain Depot, Mysore, from 1st March to 30th June 1919.

| Nature of objections. | Reply by the President, Mysore City Municipal Council. | Remarks of the Food Controller. | Comptroller's remark on the President's reply. |
|---|---|---|---|
| 1. Notwithstanding the clear instructions contained in Government Order No. G.24379-91/P.P. 134-18-5 dated 23rd April 1919 sufficient attention is not being paid to the verification of the stock balance on the 1st of each month as ordered by Government. | Stock is verified at the beginning of each month by the Vice-President or the Chief Officer, and report of such verification are sent to the Food Controller, any excesses or deficits due to shortages that may be found at the time of verification being adjusted in the stock accounts. | Verification reports are being regularly received only from August 1919. | Mere counting of bags is not sufficient for purposes of stock verification. Even in the case of large consignments received by rail, the rai way freight converted into pallas and seers on the average of few bags, say 8 or 10, should be taken for purposes of the stock account subject of course, to adjustment at the end of each month as stock is given out of issue. |
| 2. Stock account is not properly maintained and the issues for which cash has been received have not in some cases been shown either in the Depot Officer's day book or the stock account. No account has been opened for gunny | Stock register is being maintained in the prescribed form from 1st January 1919. When thousands of bags of food grains are received in the course of a couple of days, it is not possible to measure or weigh them all before they are taken to stock accounts. Hence they are receipted in bags. But when consignments are accompanied by invoices or bills, the quantities of such consignments are entered in pallas in the stock accounts. In a few cases in which issues for which cash had been received were by oversight left out in the day book or the stock register. These omissions have not been rectified. The receipts of gunny bags are entered in the day book and the amounts realised by their sales credited in the cash book. A consolidated account of gunny bags will be available for audit next time. | Stock of grains. The President's statement that it is impossible to measure or weigh large consignments immediately on their arrival is correct; in such cases there is no harm in the unweighed (or unmeasured) bags being shown in the stock account as such for a couple of days or so, until the weighment (or measuring) is completed when the correct quantity could be entered. I do not think this has been always done. Further, it is found that in the stock accounts of the Mysore Municipal Depot, one palla of rice has been taken to be 250 lbs. invariably, while by actual measurement it is found that a palla | |

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| | | is between 246 and 247 lbs. (according to the quality of the rice). This means that credit has been taken for a smaller number of pallas than was actually received. I have requested the President to make necessary corrections in his accounts.<br>Gunny Bags:-- A stock account of gunnies should have been maintained. |
| 3. Orders of Government have not been obtained for writing off the accounts several items shown as outstanding against branch depots prior to February 1919 due to shortages in excess of 3% allowed under Government Order of the 23rd April 1919. | These items relate to the amounts outstanding in the ledgers against - - Branch Depots. Such amounts are - shown under loss in the statement of accounts sent to the Food Controller every month. The exact amount of loss sustained on account of the working of these depots can only be ascertained at the end of our operations. As the accounts have been closed up to the end of December 1919, Government will be addressed in the matter of writing off such of the items of shortages as are above 3 per cent in accordance with Government Proceedings No. G. 24379-91/P.P.134-18-530, dated 23rd April 1919. | |
| 4. Items aggregating Rs 992-5-2 have been written off without proper sanction. | This sum represents certain items on the debit side of the ledgers which had to be corrected owing to the wrong entry in the accounts, of rates higher than those at which the supplies were issued, and of double debits. There was no - writing off without sanction in these cases as observed by the Comptroller. | Amount written off:- These are mostly on account of excess debits against public officers (in their official capacity) who acted as sub-depot keepers, and sold rice to their employees at the same rates as in the - Municipal Depots. The total amount is Rs. 992-5-2. The whol of this may be accepted with the excepting of Rs. 77-1-4 said to be the price of free supplies of ragi and rice to the poor during the Influenza epidemic. This amount has to be debited to the proper head and credit afforded to food supply accounts. |

| 1. | 2. | 3. | 4. |
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| 5. There have been unauthorised advances of large amounts t the President out of the sale of proceeds. | | | No explanation is furnished for the unauthorised advance of Rs.3000 to the President out of the sale proceeds ~~refer~~ referred to in para 5 of the report. Copy of the President's letter No. 403 dated 13th Novem ber 1919 in reply to this office reference on the subject is attached. If any such necessity of the kind mentioned in the President's letter arose the amount required could have been conveniently drawn from the Mysore Bank or met out of the day's collections instead of keeping the amount outside the general balance, obtaining the formal sanction of Government for the same. |
| 6. 55 pallas and 50 seers of broken rice have been sold at eight seers per rupee instead of at seven seers as sanctioned by Government. | 29.25 pallas of broken rice on 19th March 1919, 26.10 pallas on 20th March 1919, and 15 seers on 21st March 1919, or in all 55.50 pallas of broken rice were sold at 8 seers the rupee as they were full of husks and the public would not buy them at 7 seers. | <u>The sale of inferior broken rice</u> at 8 seers a rupee may now be sanctioned. | Formal sanction of Gover ment should have been obtained for selling the damaged rice at 8 seers per rupee. |

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| 7. There are differences between the Municipal Depot Cash Book balance and the Mysore Bank Pass Book remaining unremedied for a long time. | The Bank has since remedied these differences. | |
| 8. No effective steps have been taken to recover the long standing dues to the Depot. | Many of the items of outstanding dues have since been recovered. Effective steps are being taken for the recovery of the balance which is very little, which is about Rs. 150 and odd only. | Advances of grain:- Grain was lent to certain merchants (330 pallas to Mr. Banumiah, 102 pallas to Mr. Thimmiah, 100 pallas to Mr. Ramanna Setty) on the condition that they were to sell the grain at approved rates and return the same in kind ~~of~~ later on. Of course the President must have considerable latitude in regard to the arrangements for distribution of rice, and there was no objection to his making these merchants sub-depot keepers if he thought fit to do so. But the arrangement cannot be said to have been a satisfactory one. It resulted in the rice ( or its value) remaining for an indefinitely long period ~~with~~ with these merchants; and with a rising market there was no chance of the rice being returned in kind. I understand however that the accounts have been recently settled by re~~xxxxx~~ covering the value of the outstanding quantities. |